

CITY OF HAYWARD
AGENDA REPORT

AGENDA DATE 10/19/04

AGENDA ITEM 4

WORK SESSION ITEM _____

TO: Mayor and City Council
FROM: Acting Finance and Internal Services Director
SUBJECT: Approval of Equipment Lease Financing

RECOMMENDATION:

It is recommended that City Council adopt the attached resolution authorizing the City Manager to execute an Equipment Lease/Purchase Agreement and other documents necessary to procure equipment lease financing.

BACKGROUND:

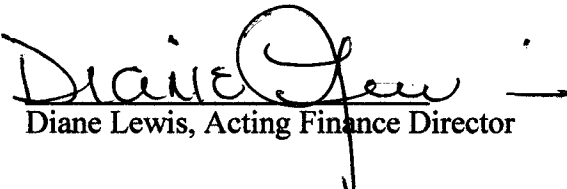
The 2004-05 Operating Budget approved by Council in June of this year provides for the acquisition of several pieces of equipment by the City's Equipment Management Fund. Several of the pieces are high cost with a relatively long service life such as a hot asphalt patch truck, a Caterpillar wheel loader and a sign truck with derrick.

Whenever acquisitions of this type are made, staff reviews the purchase to see if financing would be beneficial. The advantages are the availability of low interest rates and the ability to positively impact the finances of the Equipment Management Fund by budgeting for payments over time. After reviewing the proposed acquisitions, staff determined that lease financing of the equipment purchases would be beneficial. Consequently, staff is requesting authorization to purchase the equipment using lease financing.

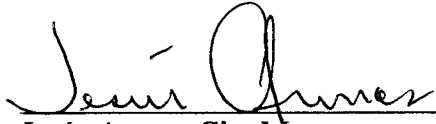
The total purchase price of the equipment is approximately \$508,000. Staff sent out Requests for Proposals (RFP's) to eleven providers of lease financing and six proposals were received and reviewed by staff. The net interest rates ranged from 3.19% to 3.98%. The lowest cost proposal was submitted by LaSalle National Leasing Corporation. The equipment would be financed over a period of five years with principal and interest payments totaling approximately \$553,724. Based on the bid information, staff is recommending that the bid be awarded to LaSalle National Leasing Corporation.

The lease documents are on file with the City Clerk and are available for review.

Recommended by:


Diane Lewis, Acting Finance Director

Approved by:



Jesús Armas, City Manager

DRAFT

HAYWARD CITY COUNCIL

RESOLUTION NO. 04-

Introduced by Council Member

**RESOLUTION AUTHORIZING EXECUTION OF
EQUIPMENT LEASE/PURCHASE AGREEMENT AND
OTHER DOCUMENTS NECESSARY TO PROCURE
EQUIPMENT LEASE FINANCING FROM LASALLE
NATIONAL LEASING CORPORATION**

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby authorizes the City Manger to execute a Equipment Lease/Purchase Agreement with LaSalle National Leasing Corporation and any other documents that may be necessary in order to procure equipment lease financing necessary for eight planned replacements for vehicles in the Public Works Department, on file in the office of the City Clerk and in a form approved by the City Attorney.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2004

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:

MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____

City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward